

Statement of Considerations

REQUEST BY OCEANEERING SPACE SYSTEMS FOR AN ADVANCE  
WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN SUBJECT  
INVENTIONS MADE IN THE COURSE OF OR UNDER DEPARTMENT OF  
ENERGY CONTRACT NO. DE-AC21-93MC30178; DOE WAIVER DOCKET  
W(A)-95-040 [ORO-613]

Oceaneering Space Systems (OSS) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Phase II of Department of Energy (DOE) Contract No. DE-AC21-93MC30178. The scope of the work calls for the development of a full scale, certified, pre-production Advanced Worker Protection System (AWPS) and a site demonstration. The work is sponsored by the Office of the Deputy Assistant Secretary for Science and Technology.

The negotiated value of Phase II of the contract is \$1,971,649, with OSS cost sharing \$502,276 or 25.5% of the contract. In addition, OSS cost shared \$234,370 or 23% of the \$1,019,000 value of Phase I of this contract. Further, OSS has spent \$280,524 of internal funds to support the commercialization of a similar system for fire service and industrial applications.

OSS has a history of developing diving suits and helmets, portable life support systems, and self contained breathing apparatuses. OSS has two patents dealing with the use of a cooling garment in conjunction with liquid air (cryogenic) breathing devices. OSS's experience and expertise will contribute substantially to commercialization of the inventions made under the contract.

While OSS does not currently occupy a commercial position for this equipment other than internal use, OSS is working to partner with companies that are already established in the commercial market in order to penetrate the market with a one hour derivative of the AWPS. OSS has entered into two such partnerships, one with Morning Pride, a leader in the manufacture of clothing for the fire service and industrial markets, and another with Scott Aviation, the largest supplier of self-contained breathing apparatus for U.S. industrial and fire service applications to commercialize both one and two hour systems with related personal cooling garments. Partnering with companies that are already established in the market will speed commercialization of the technology being developed under this contract.

The contract has been executed and is proceeding with the standard DOE Patent Rights--Long Form clause. If the requested waiver is approved, the Patent Rights--Long Form clause will be replaced by the Patent Rights--Waiver clause as a no-cost modification to the contract. Petitioner has approved the Patent Rights--Waiver terms and conditions, including march-in rights, the granting of licenses to background patents necessary for practicing subject inventions, retention by the government of a license, preference for U.S. industry, and U.S. competitiveness clauses.

OSS agrees that any product, process or service used or sold by OSS or its affiliates embodying subject inventions must be manufactured, practiced or provided substantially in the United States.

Granting of the waiver should have little effect on competition since there are several technology options, this being one of many previously or yet-to-be developed in the marketplace, therefore there should not be undue market concentration of worker protection systems.

Grant of the requested waiver should serve as encouragement to other DOE contractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the acceptable level of cost sharing by OSS and the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.



Lisa A. Jarr  
Attorney

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest of the United States and the general public will best be served by a waiver of U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:



Clyde W. Frank  
Deputy Assistant Secretary for the Office of  
Science and Technology  
Environmental Management

APPROVAL:



Paul A. Gattuso  
Assistant General Counsel for  
Technology Transfer and Intellectual  
Property

Date: July 1, 1997

Date: 8-20-97